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7 **UNITED STATES BANKRUPTCY COURT**

8 **NORTHERN DISTRICT OF OHIO**

In Re:	Chapter 11
AMFIN FINANCIAL CORPORATION, et al.,	Case No. 1:09-bk-21323-PMC
Debtors.	OBJECTION TO DISCLOSURE STATEMENT IN SUPPORT OF AMFIN FINANCIAL CORPORATION, ET AL., JOINT PLAN OF REORGANIZATION [Docket No. 865]

15 Maricopa County, a secured tax lien creditor, by and through its undersigned
16 counsel, hereby objects to approval of *Disclosure Statement in Support of AMFIN*
17 *Financial Corporation, et al., Joint Plan of Reorganization* (the “Disclosure Statement”).

18 Maricopa County filed a Proof of Claim, #111, in the amount of \$10,000.05
19 representing the 2009 real property taxes on Debtors’ property. Interest accrues on the
20 afore-mentioned secured tax claims at the statutory rate of 16% per annum until paid in
21 full, if not timely paid. See 11 U.S.C. § 511 and A.R.S. § 42-18053.

22 The post-petition 2010 real property taxes have been paid in full.

23 The post-petition 2011 real property tax liens attached to Debtors’ property on
24 January 1, 2011. The amounts due for 2011 will not be known until around September
25 1, 2011.

1 Maricopa County objects to the approval of the Disclosure Statement as it is
2 unclear whether Debtors are treating Maricopa County's Secured Tax Claim as a
3 Priority Tax Claim or an Other Secured Claim. The property taxes are secured by
4 statute. Arizona law grants Maricopa County valid liens that are "prior and superior to
5 all other liens and encumbrances on the property." See A.R.S. § 42-17153. Other
6 Secured Claims are identified as Class 3 Secured Claims. The Disclosure Statement
7 states that Debtors are unaware of any creditor whose claim would qualify as a Class 3
8 Secured Claim. Debtors may provide for payment of Secured Tax Claims in the same
9 manner as Priority Tax Claims; however, neither the Disclosure Statement nor Plan
10 provides information that this is Debtors' intention. Consequently, Maricopa County
11 believes Debtors have not provided adequate information for Maricopa County to make
12 an informed decision as to where to oppose or support Debtors' Joint Plan of
13 Reorganization (the "Plan").

14 Further, the Disclosure Statement seems to provide conflicting information with
15 the information provided in the Plan. The Disclosure Statement provides that Priority
16 Tax Claims will be paid over a period not exceeding six years after the respective dates
17 of assessment of such Claims plus interest from the Effective Date, at the Federal
18 Judgment Rate. The Plan provides that Tax Claims shall be paid over a period not
19 exceeding five years after the Filing Date with interest at a rate equal to the Federal
20 Judgment Rate as of the Confirmation Date. This issue relates more to confirmation of
21 the Plan; however, Maricopa County contends that the Bankruptcy Code requires
22 Secured Tax Claims to be paid over a period ending not later than 5 years after the
23 Petition Date and that interest accrues in the Secured Tax Claims from the Petition Date
24 at the statutory rate until paid in full.

25 For these reasons, it appears that Debtor has failed to provide adequate

1 information for Maricopa County to make an informed decision as to where to oppose or
2 support Debtors' Plan.

3 Maricopa County proposes the following treatment of its Secured Tax Claims:

4 Maricopa County's pre-petition secured tax claims shall be
5 paid in regular installment payments in accordance with
6 Bankruptcy Code §§ 1129(a)(9)(C) and (D), over a period
7 ending not later than 5 years from the Petition Date with
8 interest paid at the statutory rate of 16% per annum,
9 together with accrued and accruing post-petition interest until
10 the claim is paid in full. Maricopa County shall retain its liens
for unpaid taxes until such time as the taxes and any related
interest is paid in full. All real and personal property taxes
incurred post-petition shall be paid in the ordinary course of
Debtors' business with interest accruing at the statutory rate
if not timely paid.

11 Based on the foregoing, Maricopa County respectfully requests that the Court
12 deny approval of the Disclosure Statement unless Debtors further amend the Disclosure
13 Statement to clarify its intended treatment of the Secured Tax Claims.

14 RESPECTFULLY SUBMITTED this 17th day of January, 2011.

15 CALDWELL PADISH & WELLS
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17 BY: /s/ Barbara Lee Caldwell
18 BARBARA LEE CALDWELL
19 Attorney for Maricopa County

20 Original of the foregoing E-filed
21 this 18th day of January, 2011 with:

22 U.S. Bankruptcy Court, Northern District of Ohio
Howard M. Metzenbaum U.S. Courthouse
201 Superior Avenue
23 Cleveland, OH 44114-1235

24 COPY of the foregoing mailed, or served
via electronic notification* or fax** or if so marked,
25 this 18th day of January, 2011, to:

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13 /s/ Lisa Rustenburg

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